



Standardised Contract Clauses

Member-Only Consultation Launch

26 April 2023



Carbon Market
Institute

Agenda

Introduction to contract templates: Overview of intent, process and timeline John Connor, CEO, CMI

Overview of contract clauses templates and guidance Elisa de Wit, Partner, Norton Rose Fulbright

Code of Conduct & contract clauses templates Pip Stenekes, Director Integrity & Compliance, CMI

Q&A session



Introduction to contract templates

Overview of intent, process and timeline

John Connor, CEO



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Project Timeline



The Standardised Clauses Templates are:

- Industry guidance
- Exemplar documents to inform parties before they enter agreements
- Available for public use

The Standardised Clauses Templates are not:

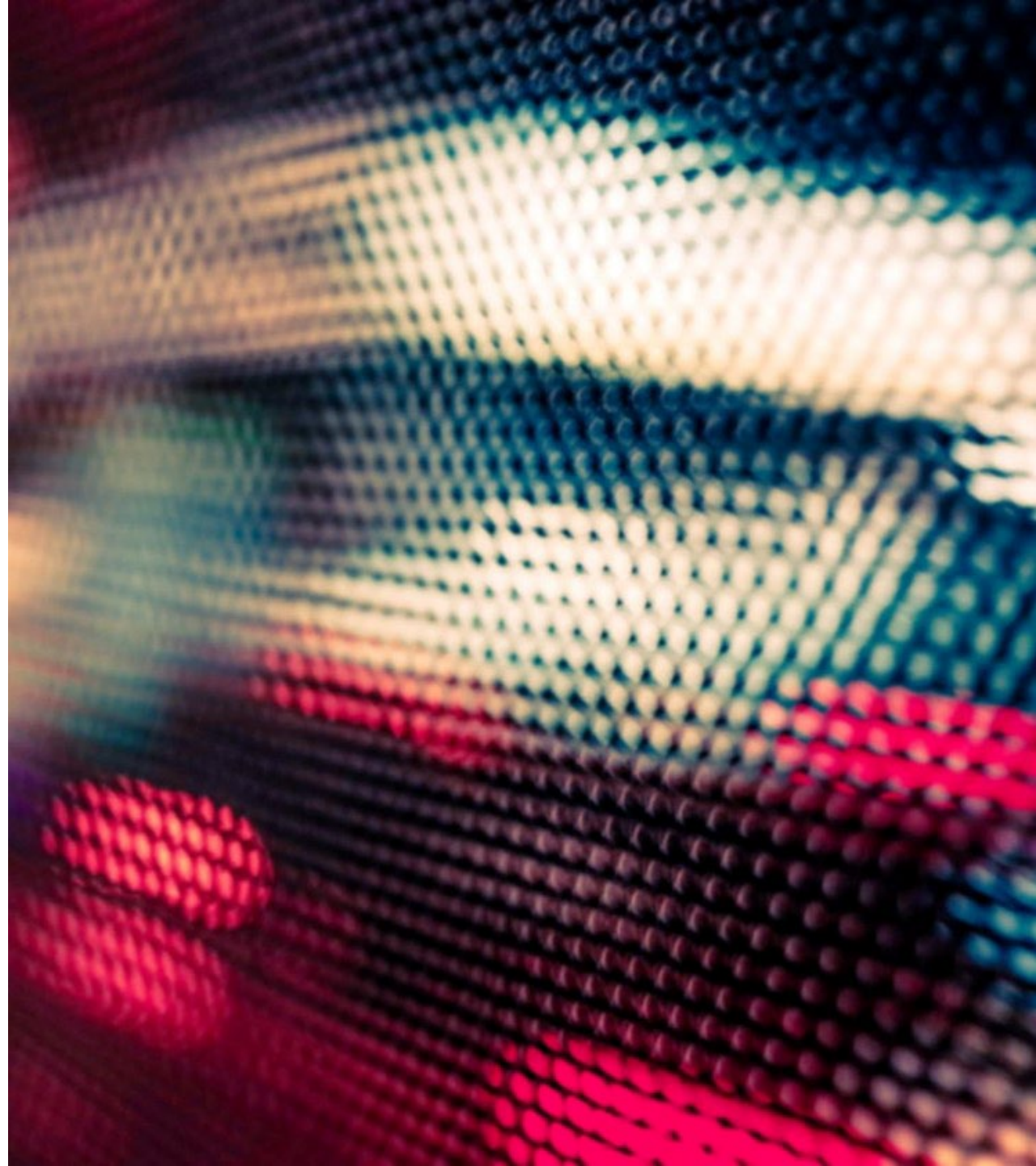
- The Standardised Contract Clauses are not mandatory
- They do not represent an official industry standard
- They do not represent the views of any specific CMI member
- They are not part of the CMI Code of Conduct
- They do not constitute legal advice or interpretations on clauses

Overview of Contract Clause Templates and Guidance

Elisa de Wit

Partner | Head of Climate Change and Sustainability

26 April 2023



Carbon Farming Contracts Guidance Note

A 6-page document providing:

- an introduction to carbon projects and Australia's carbon credits scheme
- a brief explanation of important concepts under the Scheme
 - Rights to be a project proponent
 - Approvals/consents
 - MRV and crediting
 - Permanence and reversals
- a summary of the two primary types of carbon project contract entered into with Landholders:
 1. Carbon Project Services Agreement; and
 2. Carbon Project Development Agreement

Approach taken

Standardised clauses

- Definitions
- Required or suggested clauses, including optionality (where relevant)
- Other clauses and boilerplate clauses

Guidance to explain clauses

Note:

- **Only carbon is addressed (not other co-benefits)**
- **Slanted towards sequestration projects, but can be adapted for avoidance or reduction projects**

Carbon Project Services Agreement

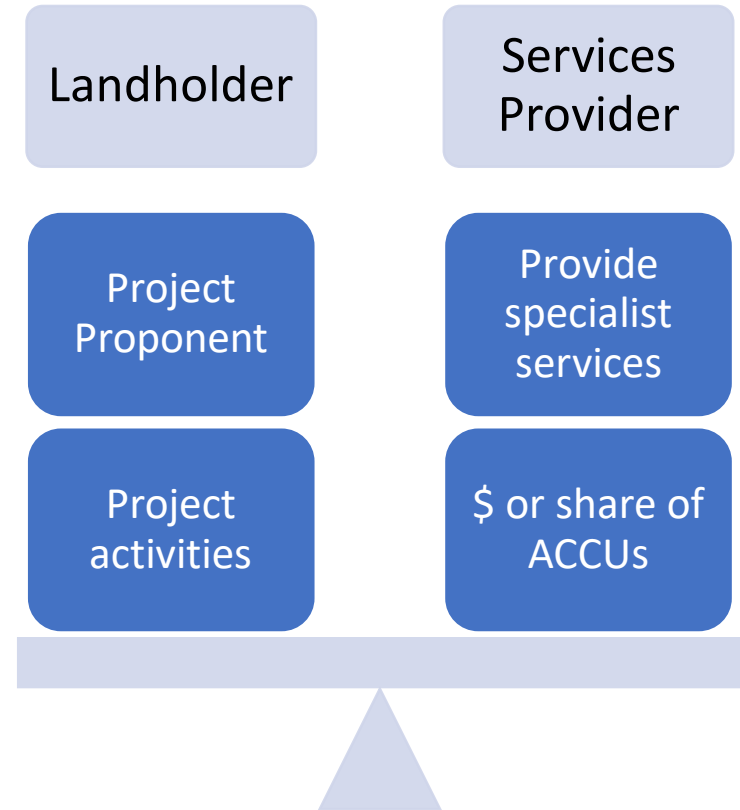
- To be used when Landholder wishes to be Project Proponent but requires an entity to provide it with specialist services

Service Provider

- **Services:** Service Provider assists with the development, implementation and management of the project
- **Payment:** Service Provider's remuneration: monetary fee or share of the ACCUs generated by the project

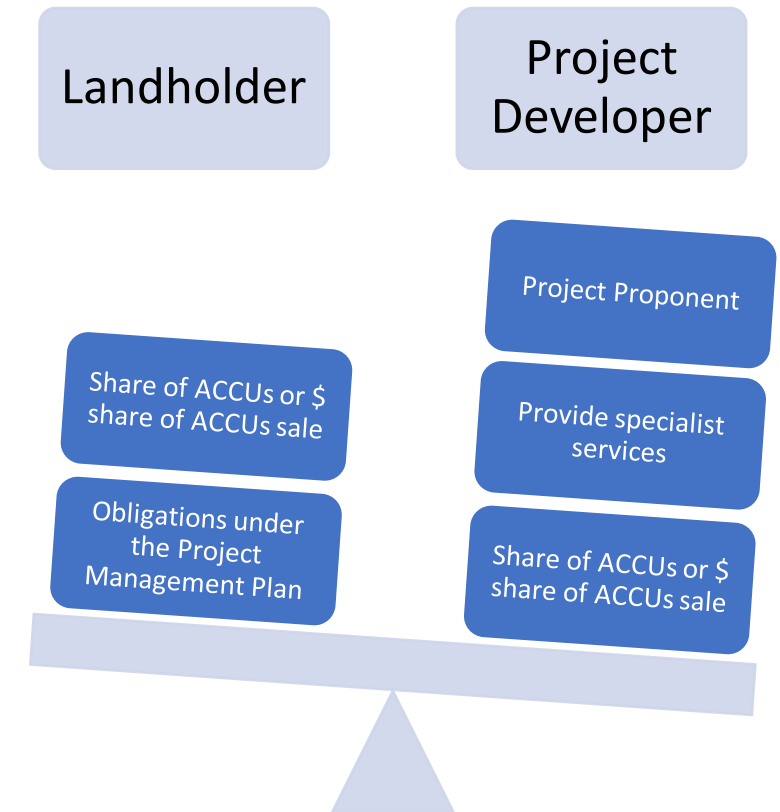
Landholder

- Obligations on Landholder to undertake project activities, provide access to land and ensure the project is not compromised by the Landholder's actions



Carbon Project Development Agreement

- To be used if the Landholder would like another entity to be the Project Proponent and responsible for the development, implementation and management of the project
- Granting of legal right in addition to access to land
- Transfer of carbon rights
- The Landholder still has obligations as contained within the Project Management Plan (planting, maintaining fences, maintaining fire breaks, record keeping)



Comparison of the Services Agreement v Development Agreement

Key Differences:

- Transfer of legal right
- Transfer of carbon rights in the project land
- Inclusion of project management plan
- Responsibility for reversal
- Dealings with land

Similarities:

- Standard contract clauses (confidentiality, IP, force majeure, dispute resolution, termination)



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Australian Carbon Industry **Code of Conduct**

'A world-leading domestic consumer protection code for Australia's carbon industry'.

Pip Stenekes - ACI Code Director





ACI Code of Conduct

About us

- **The Code** - Independent and voluntary industry code of practice, hosted by the Carbon Market Institute.
- **Mission** - To enhance the integrity, transparency and accountability of Australia's carbon industry, using the Code framework to monitor, review and define industry best practice.
- **Key Purpose** - A key purpose of the Code is to protect consumer's, or client's, rights in the carbon market, including preventing unconscionable conduct by Signatories, whether or not there are formal agreements in place.
- **How we ensure best practice and integrity:**

01

Benchmark for Best Practice for carbon projects

Identify the highest standards based on state or federal legislation, raise the bar and define industry best practice.



02

Provide guidance to carbon market participants

- Promote appropriate and open interaction with project owners and landowners (including Traditional Owners).
- Promote adoption of best practice for seeking free, prior and informed consent to support relevant indigenous rights and interests.



ACI Code of Conduct

Benefits of the Code to landholders

Signatories

Signatories are responsible for complying with their obligations under the Code and Code guidance



Examples of Code Requirements:

Advise

adequate disclosure – financial benefits, legal obligations - independent advice must be sought

Engagement

communities & representative bodies are appropriate engaged at an early stage, ensure mutual understanding, early FPIC

Transparency


existence of Code & provision of Code fact sheet; whether or not they hold an AFSL; risk information & management; providing information to Administrator

Processes

project management plan; complaints handling procedure; record keeping processes; stakeholder identification & consultation plan; amongst others.

Audit

Demonstrating compliance by submitting a compliance report, which is audited under the Code.

Australian
Carbon Industry
Code of Conduct
SIGNATORY





Australian
Carbon Industry
Code of Conduct
INDUSTRY SUPPORTER



Australian
Carbon Industry
Code of Conduct
GOVERNMENT PARTNER



Queensland
Government



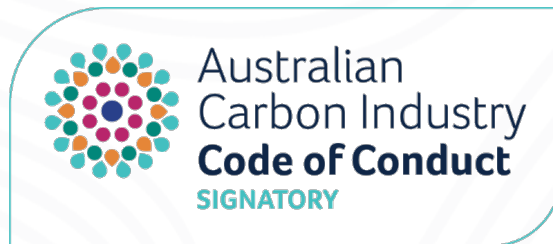
NSW
GOVERNMENT



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WESTERN AUSTRALIA



Australian Carbon Industry **Code of Conduct**



look for these Code brandmarks whenever you procure carbon services

www.carbonmarketinstitute.org/code

Q&A

Please submit your questions through the Q&A function



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